

## HOUSE BILL NO. 449

INTRODUCED BY C. YOUNKIN

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA HIGH SCHOOL HONOR SCHOLARSHIP PROGRAM; AUTHORIZING THE BOARD OF REGENTS TO ADOPT PROCEDURES TO IMPLEMENT THE SCHOLARSHIP PROGRAM; ESTABLISHING ELIGIBILITY CRITERIA FOR THE SCHOLARSHIP PROGRAM; ESTABLISHING THE EDUCATIONAL SCHOLARSHIP ACCOUNT; STATUTORILY APPROPRIATING FUNDS TO SUPPORT THE SCHOLARSHIP PROGRAM; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Montana high school honor scholarship program.** There is a Montana high school honor scholarship program to reward up to 500 eligible Montana high school seniors each year who graduate from high school or complete a home school and who merit recognition for their high academic achievement and intend to enroll in a postsecondary institution in Montana.

**NEW SECTION. Section 2. Definition.** As used in [sections 1 through 5], "postsecondary institution" means a unit of the Montana university system, a Montana public community college, or an accredited tribal college located in the state of Montana.

**NEW SECTION. Section 3. Administration of scholarship program.** (1) The board of regents shall administer the Montana high school honor scholarship program and shall adopt policies and procedures related to the implementation and administration of the program, including but not limited to:

(a) procedures for obtaining lists from Montana high schools of those high school seniors who are academically eligible to receive a scholarship and procedures for obtaining the names of academically eligible students who have completed a home school;

(b) requirements for determining the eligibility of students who have completed a home school;

(c) procedures regarding the application process for eligible students to obtain a scholarship;

(d) notification to students, parents, teachers, and school administrators of all criteria, procedures,

- 1 and timelines;
- 2 (e) requirements for scholarship renewal;
- 3 (f) conditions and procedures for entering into cooperative agreements with eligible Montana tribal
- 4 colleges; and
- 5 (g) procedures for the annual disbursement of scholarships.
- 6 (2) Each semester or quarter, the board of regents shall issue payments to the postsecondary
- 7 institution attended by a scholarship recipient.
- 8 (3) The recipient is required to utilize the scholarship within 9 months after high school graduation.
- 9 If the recipient experiences a medical or family hardship and withdraws from school, the recipient is
- 10 required to return to school within 3 years in order to retain the scholarship.
- 11 (4) The scholarship is valid for a maximum of 8 semesters or 12 quarters.
- 12 (5) The scholarship may be used for tuition, mandatory or class fees, books and supplies, or room
- 13 and board.

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15 **NEW SECTION. Section 4. Eligibility requirements -- basic residency and citizenship requirements**

16 **-- eligibility for student participation.** (1) Except as provided in subsection (2), in order to be eligible to

17 receive a scholarship, an entering freshman student seeking a certificate or an associate's or baccalaureate

18 degree at a postsecondary institution must:

- 19 (a) be classified as a Montana resident for at least 12 consecutive months and be eligible for
- 20 in-state tuition at the time of high school graduation as determined by board of regents' policy;
- 21 (b) be a United States citizen or permanent resident alien who meets the definition of an eligible
- 22 noncitizen under the requirements of Title IV of the Higher Education Act of 1965, as amended;
- 23 (c) have earned a high school diploma with a minimum of a 3.0 cumulative grade point average
- 24 computed on a 4.0 scale and must be admitted, enrolled, or classified as a full-time undergraduate student
- 25 in a degree or certificate program at a postsecondary institution; and
- 26 (d) rank in the top 10% of the student's high school graduating class. If there are 10 or fewer
- 27 graduates in the high school class, the board of regents may award at least one scholarship to an eligible
- 28 student at that school.
- 29 (2) A student who has completed a home school and who meets the requirements adopted by the
- 30 board of regents in [section 3(1)(b)] is eligible to receive a scholarship.

(3) If a recipient fails to meet the requirements for scholarship renewal adopted by the board of regents in [section 3(1)(e)], the scholarship must be terminated.

**NEW SECTION. Section 5. Education scholarship account -- statutory appropriation.** (1) There is an educational scholarship account in the state special revenue fund as provided in 17-2-102. The board of regents shall notify the state treasurer of the amount necessary for scholarships as provided in [sections 1 through 5]. The state treasurer shall transfer the funds designated by the board of regents from the general fund to the educational scholarship account. Money for the scholarships is statutorily appropriated, as provided in 17-7-502, from the educational scholarship account. The board of regents is authorized to expend funds from the account to pay for the scholarships awarded pursuant to [sections 1 through 5].

(2) (a) The maximum scholarship award for each student is \$3,000.

(b) During the freshman year, the award must consist of an \$800 cash stipend and a fee waiver that may be provided by the postsecondary institution in an amount not to exceed \$2,200.

(c) During the sophomore year and for each succeeding year of eligibility, the award must consist of a maximum of \$3,000 cash stipend.

(3) Only 500 new scholarships may be awarded each year to eligible students graduating from high school. The board of regents may award up to 15 scholarships each year to eligible students who have completed a home school.

**Section 6.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706; 15-31-702;

1 15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404;  
2 16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112; 19-3-319;  
3 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;  
4 [section 5]; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;  
5 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;  
6 53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222;  
7 80-4-416; 80-11-518; 81-5-111; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

8 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
9 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
10 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
11 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
12 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
13 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
14 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
15 supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,  
16 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of  
17 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability  
18 is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,  
19 2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710  
20 terminates June 30, 2005.)"

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22 NEW SECTION. **Section 7. Codification instruction.** [Sections 1 through 5] are intended to be  
23 codified as an integral part of Title 20, chapter 26, and the provisions of Title 20, chapter 26, apply to  
24 [sections 1 through 5].

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26 NEW SECTION. **Section 8. Notification to tribal governments.** The secretary of state shall send  
27 a copy of [this act] to each tribal government and to the president of each tribal college located on the  
28 seven Montana reservations.

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30 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2001.

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